



NATHAN FLETCHER

CHAIR

**SUPERVISOR, FOURTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

AGENDA ITEM

DATE: September 27, 2022

12

TO: Board of Supervisors

SUBJECT

**CONVENING A BOARD CONFERENCE: JOINT CITY-COUNTY HOUSING SUMMIT
ON OCTOBER 3, 2022 (DISTRICTS: ALL)**

OVERVIEW

The County of San Diego (County) and the City of San Diego (City) both recognize that the lack of affordable housing in the region is the issue of greatest concern for residents. The scarcity of affordable housing has negatively impacted our economic growth, squeezed the middle class, and is the primary driver of the area's homelessness crisis. An issue of this magnitude requires discussion, cooperation, and joint action from governing bodies in the region to address these common challenges.

Today's board action will authorize the convening of a special joint meeting of the San Diego County Board of Supervisors and the San Diego City Council on October 3, 2022 to explore the region's housing crisis and discuss the steps that both government agencies can take to address the availability of affordable housing and provide economic relief for San Diegans.

RECOMMENDATION(S)

CHAIR NATHAN FLETCHER

1. Direct the Chief Administrative Officer (CAO) to work with the City of San Diego to organize a special joint meeting on October 3, 2022 and ensure logistical coordination for the joint meeting, such as the meeting space, public accessibility, broadcast needs, and security.

EQUITY IMPACT STATEMENT

The region's affordable housing crisis has only gotten worse since the pandemic with those at the lowest end of the economic spectrum most adversely impacted.¹ Recent studies have found that Black renters in San Diego are the most burdened by rent and spend 18% more of their income

¹ <https://www.stlouisfed.org/on-the-economy/2022/feb/addressing-housing-affordability-crisis-covid-19>

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on rent compared to Black households nationally.² Homeownership rates among Whites still far outpace homeownership rates among Latinos and Black households, and as the region's affordable housing crisis intensifies it exacerbates racial wealth gaps.³

SUSTAINABILITY IMPACT STATEMENT

This meeting will provide an opportunity for leaders in the region to discuss how we can address the housing crisis in a way that would promote sustainable growth and ensures alignment with climate goals set by state and federal law.

FISCAL IMPACT

If approved, the costs for the joint meeting will be shared with the City of San Diego. Funds for this request will include rental of the facility, audio visual equipment and labor, telecommunications, custodial services, and security, and are included in the Fiscal Year 2022-23 Operational Plan. The funding source is General Purpose Revenue. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

This meeting will provide an opportunity to highlight the leading role that our housing market is playing in stifling economic growth, squeezing middle and working-class families, and fueling the rise of homelessness in our region. The cost of this housing affordability crisis is measured in lost productivity when the workers supporting our businesses can't find affordable places to live. This discussion will address solutions to these issues.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The San Diego region must increase its housing supply and it is imperative that local governments act cooperatively and collaboratively on joint or complementary solutions that will meet the urgent needs of our residents. The beginning of any impactful solution starts with the County of San Diego and the City of San Diego finding alignment on the identification of core issues and common approaches towards realizing progress.

Recent studies have found that the San Diego region is among the least affordable metropolitan areas for housing in the nation.⁴ According to March 2022's S&P Case-Shiller Indices, home prices in the San Diego area rose 29.6 percent year-over-year.⁵ The rate at which housing prices have been rising and becoming further out of reach for average San Diegans is higher than it has

² <https://www.kpbs.org/news/local/2021/10/26/san-diego-is-worst-place-in-the-country-for-black-renters-new-report-shows>

³ <https://www.calhfa.ca.gov/community/index.htm>

⁴ https://email.ojo.com/san-diego-passes-san-francisco-as-nations-least-affordable-metro?ecid=&utm_campaign=Data%20Storytelling&utm_source=hs_email&utm_medium=email&hsenc=p2ANqtz-8LTUVYg0OBs2omTFqpdq7TAqd5VgIJkhLGebCKmW2pX926FKneelZsKen4qTqxe7ZJmkeP

⁵ <https://www.sandiegouniontribune.com/business/story/2022-05-31/san-diego-home-price>

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been in almost two decades.⁶ Lagging new development and low inventory combined with a surge in demand are cited as primary contributors to the increase in home prices and rents.⁷

Even as recent interest rate hikes have slowed the pace of home value appreciation in the last two quarters, elevated borrowing costs⁸ and rent increases have not yielded real gains in affordability for San Diego families.⁹

Due to a number of factors, San Diego housing construction over the past several decades, especially moderately priced housing, has failed to keep pace with the region's population growth.¹⁰ Policy decisions at the local level have historically contributed to limiting housing supply in the region,¹¹ even while San Diego was one of the fastest growing areas in the country.¹² The most recent data from the National Low Income Housing Coalition estimated that there were more than 183,200 very low-income households in the county and 46,600 units to accommodate them with rents that didn't surpass 30 percent of their income.¹³

Experts have observed that San Diego's lack of affordable housing is capping the region's growth and limiting its economic potential as housing costs become prohibitive for many families.¹⁴ The cost of housing is also negatively impacting job growth and capital investment in the region from high-growth industries.¹⁵ Perhaps the most visible and salient impact of housing unaffordability is its impact on homelessness. Recent research has found that a lack of affordable housing is the most significant driver of homelessness (as opposed to substance abuse, mental health, domestic violence, general conditions of poverty, and other commonly associated factors).¹⁶

The impact of the structural mismatch between supply and demand that is driving housing unaffordability is felt by San Diegans, as supported by survey research. Recent polling has found that nearly 60% of area residents say that housing affordability is a "big problem"¹⁷ and many say they have seriously considered leaving the area due to housing affordability concerns.¹⁸ Polls

⁶ <https://www.sandiegouniontribune.com/business/story/2022-04-26/san-diego-home-prices>

⁷ <https://www.cbs8.com/article/news/local/study-shows-san-diego-now-least-affordable-city-home-buying-california/509-75aa86bf-9237-453f-9168-cb5090e9174c>

⁸ <https://www.sandiegouniontribune.com/business/story/2022-08-30/san-diego-home-prices-decelerate>

⁹ [https://www.10news.com/news/local-news/san-diego-news/san-diego-tenants-could-see-rent-increase-of-10-percent-amid-](https://www.10news.com/news/local-news/san-diego-news/san-diego-tenants-could-see-rent-increase-of-10-percent-amid-inflation#:~:text=In%202019%2C%20California%20passed%20a,that%20fall%20under%20the%20law)

[inflation#:~:text=In%202019%2C%20California%20passed%20a,that%20fall%20under%20the%20law](https://www.10news.com/news/local-news/san-diego-news/san-diego-tenants-could-see-rent-increase-of-10-percent-amid-inflation#:~:text=In%202019%2C%20California%20passed%20a,that%20fall%20under%20the%20law)

¹⁰ <https://voiceofsandiego.org/2019/09/03/how-san-diegos-housing-shortage-became-so-dire/>

¹¹ <https://www.nytimes.com/1987/06/28/us/sunny-san-diego-acts-to-slow-its-rapid-growth.html>

¹² https://www.brookings.edu/wp-content/uploads/2016/06/0320_population_frey.pdf

¹³ <http://chpc.net/wp-content/uploads/2019/05/San-Diego-HNR-2019.pdf>

¹⁴ <https://www.sandiegouniontribune.com/business/story/2022-05-06/over-the-next-few-years-will-san-diego-countys-population-continue-to-decline>

¹⁵ <https://www.latimes.com/california/story/2022-05-01/san-diego-county-population-census-migration-housing-high-costs-move>

¹⁶ <https://www.npr.org/sections/money/2021/06/08/1003982733/squalor-behind-the-golden-gate-confronting-californias-homelessness-crisis>

¹⁷ <https://www.ppica.org/publication/californians-and-housing-affordability/>

¹⁸ <https://www.ppica.org/press-release/worries-about-housing-affordability-at-record-high/>

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have consistently shown that housing affordability concerns and the homelessness that is driven by this crisis are among the top issues for San Diegans.¹⁹

A joint meeting of the Board of Supervisors and the San Diego City Council will provide an opportunity to address these issues holistically and discuss actionable solutions that both entities can drive forward. This meeting will cover solutions to the affordable housing crisis, and ways in which our government agencies can act together. The meeting time and location will be noticed in accordance with the Brown Act by the respective jurisdictions.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The meeting called for in this Board item aims to address how the County can better utilize policies, facilities, infrastructure, and finance to provide housing opportunities that meet the needs of the community and advance opportunities for economic growth and development.

Respectfully submitted,

A handwritten signature in black ink that reads "Nathan Fletcher". The signature is written in a cursive, flowing style.

NATHAN FLETCHER
Supervisor, Fourth District

ATTACHMENT(S)

None

¹⁹ <https://www.ppic.org/publication/ppic-statewide-survey-californians-and-their-government-may-2022/>